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EXECUTIVE COMMITTEE MEETING NO. 8

Monday, 2 July 1962 - 3:00 p. m.

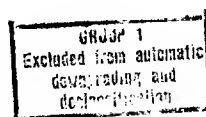
Present were: General Carter
 Mr. Helms
 Dr. Scoville
 Mr. Cline
 Mr. Lloyd for DD/S
 Mr. Kirkpatrick
 Mr. Bross
 Mr. Earman

Absent: Dr. Kent
 Mr. Houston



problems; to attempt to create a paper of understanding which would divorce total costs from the Agency budget; and, to seek the blessing of Congressmen Mahon and Rooney and someone on the Senate side.)

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2. Proposed Expansion of Radio Liberty and Radio Free Europe

Financing of Radio Liberty and Radio Free Europe was outlined by Cord Meyer in accordance with the background and recommendations contained in the attached memorandum to the Executive Committee. No solution was reached. General Carter indicated he would discuss with Mr. McCone the possibility of reprogramming funds in an effort to meet the increased costs--or, to decide the future of Radio Liberty and Radio Free Europe along other lines.



Executive Secretary

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EXECUTIVE COMMITTEE MEETING

2 July 1962 - 3:00 p. m.

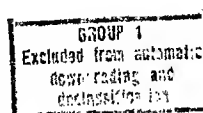
25X1 Item No. 1:

25X1 Item No. 2:
3:30 p. m.

Proposed Expansion of Radio Liberty and
Radio Free Europe. . . . (Messrs. Cord Meyer
and)

Background paper will be circulated at
meeting. Initial background papers were
included with agenda for 14 May meeting.

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62-4556

2 July 1962

MEMORANDUM FOR: Executive Committee

SUBJECT: Radio Liberty (RL) and Radio Free Europe (RFE)

1. This memorandum contains recommendations submitted for approval by the Executive Committee. Recommendations are contained in paragraph 10.

2. A proposal for expansion of RL and RFE was presented to the Executive Committee on May 14. The Executive Committee instructed C/CA to discuss the proposed expansion plans with Deputy Under Secretary of State U. Alexis Johnson and the Director of USIA, Edward R. Murrow. This was done during the week of 11 June, and both indicated they would support the proposal in the Special Group and if queried by the Bureau of the Budget (BOB).

3. A meeting was held on 25 June with the DCI, the DDCI and the DD/P in preparation for a meeting of the Special Group on 26 June. The DCI indicated that although he was sympathetic to the proposal, he would not request funds from the Reserve. He suggested that the proposal be budgeted for FY 1964.

4. It was pointed out that we would lose twelve months' lead time if we waited until 1964. The DDCI asked if it would not be possible to reprogram in FY 1963 so that we could order the equipment now and make the major payments in 1964. The DD/P suggested that we go over this matter again and see what might be done.

5. There are three principal items to be financed:

a. Non-recurring capital costs (transmitters and antenna modifications) totaling for both Fiscal Years.

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b. Additional operating costs due to expansion will total [] in FY 1963; beginning with FY 1964 these recurring operating costs will amount to [] annually once the equipment and personnel are in full operation.

c. Additional costs (recurring) required for wage increases, housing costs, higher social security taxes, and the like will total [] beginning in FY 1963.

6. Details on these are contained in Attachments A and B. We estimate that these will total [] for FY 1963; and [] for FY 1964. If we are required to increase the revolving funds for these two projects in accordance with earlier practice, [] will have to be added to the FY 1964 figure.

7. Further discussions with DD/P and his staff indicate that it is unlikely that funds in this amount can be found within the DD/P FY 1963 ceiling although developments during the year may release some funds which could be applied to these projects.

8. After considering several possibilities, including even the possibility of RL and RFE borrowing the money from private banks, we believe it is possible to finance these operations in the following way:

a. The receipts from the public fund drive from the Radio Free Europe Fund (RFEF) are under current procedures applied to the following year's expenses of RFE. For example, the FY 1962 fund drive will raise about [] which will be applied to FY 1963 expenses of RFE. It is feasible to change these procedure so that the funds raised in FY 1963, expected to approximate the total raised in 1962, could be applied against FY 1963 expenditures. This would produce an additional [] to

-3-

25X1 apply against the expansion proposal and inflationary costs. This would leave a balance of about [] which we believe we could find through reprogramming.

25X1 9. This would, of course, require a commitment from the BOB to complete these programs in FY 1964 and the programming of funds needed for this as an item in the FY 1964 budget. This would mean raising the budget requirements of the [] and of the Free Europe Committee (FEC) to [].

25X1 10. RECOMMENDATIONS

It is recommended that the Executive Committee:

a. Approve the expansion of RL and RFE, and approve the additional costs required for salary increases and other inflationary items.

b. Approve the method of financing these, as outlined above, by application of funds raised by RFEF in a given year to expenses incurred that year.

25X1 c. Recommend to the DCI that he obtain approval from the BOB to this procedure and the inclusion of the balance of the funds required to complete the expansion proposal in the FY 1964 budget with the understanding that this will increase the budget requirements in FY 1964 of these two projects to [] respectively.

CORD MEYER, JR.

CORD MEYER, JR.
Chief
Covert Action Staff

Attachments:
A and B

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Executive Registry
12-4649

1 JUL 1962

MEMORANDUM FOR THE RECORD

SUBJECT: Expansion of Radio Liberty and Radio Free Europe

At a meeting in the DCI's office attended by the DCI, DD/P, [redacted], Walter Elder, Desmond Fitzgerald, and the undersigned the following decisions were reached on the above:

1. The DCI would not make this request from the Agency Reserve feeling that this could have been anticipated and was not the kind of matter for which the Reserve was designed. The DCI concurred in this.

2. The DCI thought that we must somehow provide the additional costs for 1963 which had not been programmed for wage increases and the like (as he indicated to the FEC Board some time ago).

3. The DCI decided therefore not to present this proposal to the Special Group on 23 June.

4. The DCI said that he was sympathetic to the proposal and felt that it should be included in the 1964 budget. I pointed out that this would lose us 12 months of the 18 months required to build this equipment and that we would somehow like to work out an arrangement to order this equipment in 1963.

5. General Carter asked if we could not somehow find [redacted] in 1963 in order to get the transmitters and other equipment, therefore saving the lead time.

6. The DD/P suggested that we go over this as soon as possible to see how we could find the funds through reprogramming.

Distribution:

Orig. - DCI
1 - DD/P
1 - DD/P
1 - Mr. Elder

1 - Controller
1 - C/Budget Division
1 - DD/P/PA
[redacted]

1 - [redacted]
1 - [redacted]
1 - [redacted]

16 June 1962

MEMORANDUM FOR THE RECORD

SUBJECT: Radio Liberty and Radio Free Europe -
Conversations with USIA Officials

1. Messrs. Edward R. Murrow, the Director of USIA, Henry Loomis, Director of VOA, Thomas Sorenson, Assistant Director of USIA for Plans and Policy, [redacted] and the undersigned met on 15 June to discuss the proposed expansion of Radio Liberty and RFE.

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2. I outlined the proposal, and reported that:

- a. Deputy Undersecretary of State, U. Alexis Johnson had indicated his support, subject to a further check with State/EUR officers;
- b. That this check had been made on 15 June earlier in the day;
- c. That Messrs. Kohler, Davis and Vedeler were in favor of the proposal provided that Mr. Murrow approved; and
- d. That he did not feel that it changed the relative positions at VOA, R/L and RFE to VOA's disadvantage.

3. We discussed the procedures under which this proposal, if approved by DCI, would be presented to the Special Group, and if approved, the Bureau of the Budget would be asked for a release from the CIA Reserve.

4. Mr. Loomis raised a question about R/L's base agreement with the [redacted]. He also reported on VOA's substantial expansion plans (and problems of site agreements), indicating that the relative positions of the three radios would not be significantly affected. Mr. Murrow raised questions about Radio Free Europe Fund advertisements; the budget of RFE; the total raised from the fund drive; and the possibility of turning the radios over to a Western European organization, such as the European Common Market. These were satisfactorily handled.

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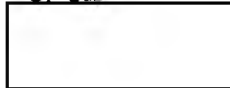
5. Mr. Murrow said that he would support the CIA proposal for expansion, would so indicate if invited to attend the Special Group meeting, and that I could so report to my superiors.



Cord Meyer, Jr. ✓
C/CA

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cc to: DDCI
DD/P
A/DDP
Controller
C/Budget Div.
C/CA



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62-4435

16 June 1962

MEMORANDUM FOR THE RECORD

SUBJECT: Radio Liberty and Radio Free Europe
Conversations with Department of State Officials

1. Messrs. Joseph Scott, Richard Davis and Harold Vedeler of State and [redacted] and the undersigned of CIA met on 15 June to discuss the proposed expansion of RL and RFE. This was done at the suggestion of Deputy Undersecretary, U. Alexis Johnson, who wanted the views of the Bureau of European Affairs officials on this matter.

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2. Mr. Scott opened the meeting, described the earlier meeting with Mr. Johnson and reported Mr. Foy Kohler's views on the proposal. These were to the effect that he was inclined to support the proposal provided Mr. Edward R. Murrow approved, and did not feel that this expansion of RL and RFE would change the relative position of VOA, RL and RFE to VOA's disadvantage.

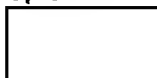
3. After some discussion, Messrs. Davis and Vedeler said they would approve the proposal, subject to the same caveats that Mr. Kohler had indicated.

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DC/CA/[redacted]

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cc to: DDCI
DD/P
ADD/P
Controller
C/Budget Div.
C/CA



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Approved For Release 2003/08/25 : CIA-RDP80B01676R002400030009-6

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